

Testimony of Governor Haley Barbour
U.S. Senate Committee on Appropriations
March 7, 2006

Mr. Chairman and distinguished members of the Committee:

Thank you for this opportunity to join you today to discuss the worst natural disaster in our nation's history, Hurricane Katrina.

First, we in Mississippi greatly need and genuinely appreciate the generous Katrina appropriations package you passed and the President signed in December. Thank you.

On August 29, 2005, Hurricane Katrina struck our state a grievous blow. Although the eye of the storm landed at the Mississippi-Louisiana line, that eye was more than thirty miles wide, and Katrina completely devastated our entire coastline, from Pearlington to Pascagoula. The miles upon miles of utter destruction are unimaginable, except to those like many of you who have witnessed it with your own eyes, on the ground. But this hurricane wasn't just a calamity for the Mississippi Gulf Coast; its impact extended far inland with hurricane force more than 200 miles from the Coast.

In her wake, Katrina left literally tens of thousands of uninhabitable, often obliterated homes; thousands of small businesses in shambles; dozens of schools and public buildings ruined and unusable; highways, ports and railroads, water and sewer systems, all destroyed.

We can not recover and renew from a disaster of this magnitude without the help of others. The outpouring of support and generosity from across the country has been overwhelming, and the financial resources authorized by this Congress and the President last December are essential.

We are moving forward in Mississippi, making progress every day, but we have a tall mountain in front of us. Katrina left more than 45 million cubic yards of debris, more than twice the debris left by Hurricane Andrew. We are removing it twice as fast as has ever been done, but six months after the storm, about 10 million cubic yards remain. We can't rebuild our infrastructure until we clear the debris.

We have installed temporary housing quicker than it has ever been done on such a large scale, with more than 36,000 travel trailers and mobile homes

occupied by more than 100,000 Mississippians. But as many as 6000 units of temporary housing are still needed. Later, I will talk about other problems with temporary housing and a proposed solution for this and future disasters.

Last fall, I worked with our Congressional delegation on a bipartisan basis, led by Senator Cochran, the chairman of this committee, to craft a federal assistance package which addressed our most urgent needs. The Congress responded with an unprecedented level of resources and flexibility. Again, thank you.

In Mississippi, we are setting up the systems to ensure accountability and successful implementation of the programs which you have funded.

To help address our biggest issue, housing, we will use \$4 billion of Community Development Block Grants to help rebuild homes which were destroyed by the storm surge. Other CDBG funds will be used for water and sewer expansion, mitigation against large utility rate increases, and economic and community development.

The funding you provided in December makes our recovery and renewal efforts possible in a multitude of areas. We are rebuilding our roads and bridges. We are providing workforce training opportunities to help meet the increased demand for construction related occupations. We will soon be able to provide financial relief to state and local law enforcement agencies which are overwhelmed with new tasks. We are helping our school districts, all of which have been open since early November but whose local tax base is destroyed. We are helping the school districts who have displaced students to educate. We are providing financial assistance to our universities and community college students. We are in the process of using new Social Service Block Grant funds to meet increased or unfunded human service needs and demands, such as child care. We have begun the multi-year endeavor of restoring our environmental habitat and coastal protections.

The people of Mississippi are grateful for this assistance and we commit to you that we will be good stewards of the dollars provided by the American taxpayer.

The President recently requested an additional \$9.4 billion to replenish FEMA's Disaster Relief Fund; \$1.3 billion for the Small Business Administration's Disaster Loan Program; and \$300 million for the Community Disaster Loan Program. I fully support these requests.

The Disaster Relief Fund contains the financial resources to pay for the individual and public assistance programs the federal government is required to provide under the Stafford Act. As of last week, more than \$7.7 billion has been allocated to activities in Mississippi out of this fund. Ultimately, we expect this amount to increase to about \$15-\$17 billion. This fund must be replenished so the federal government can meet its obligations.

The same is true for the SBA account. Nearly 3500 businesses and 20,000 homeowners in Mississippi have been approved for \$1.7 billion in SBA loans. People are depending on these programs and they need to be funded.

The Community Disaster Loan program is essential. Many local government entities, from cities and counties to water/sewer districts, have lost their tax bases. Property tax collections will be low to non-existent in some places. We must continue to look for ways to help keep these local governments solvent.

There are three projects for which I did not request funding last fall since they were not yet ready. Since then, two of the projects have further developed, and I ask the Congress and this Committee to give them proper consideration. Both are integral transportation projects dealing with hazard mitigation, safety, economic and community development.

The first is the rebuilding and redevelopment plan of the Port of Gulfport, the entire infrastructure of which was destroyed. The second is to relocate a railroad from right on the coast to far further inland.

The third unfunded major program is the environmental restoration and hurricane protection program. In the last supplemental, Congress provided \$10 million to study the best ways to protect our coastline and restore coastal ecosystems. Some funding was provided to begin the restoration of coastal marshes and the oyster reefs, but much more will be needed in future years. I look forward to working with you on this issue in the future.

As I mentioned earlier, temporary and permanent housing are the biggest issues on the Gulf Coast. In addition to the CDBG funds, we are dedicating almost all of our Hazard Mitigation Grant Program allocation to rebuilding homes in such a way that they will be better protected from future hurricanes. To better support this effort, I ask Congress to increase the funding cap for this program from 7.5% of total FEMA project costs to 15%, which had been the cap in the past.

But for many Mississippians, permanent housing is far away because the new supply will not meet the demand for several years. Under the current law, too many Mississippians will be trapped in FEMA-trailers, the government's current default solution for temporary housing. These trailers are designed and built to be used recreationally a few weeks a year; they are not designed to be used as housing for a family for several years.

The trailers do not provide even the most basic protection from high winds or severe thunderstorms, much less tornadoes or hurricanes. In addition, they are highly vulnerable to electrical and propane fires.

As I have testified to the Senate Homeland Security Committee, the federal government needs more options in future hurricanes. Modular housing can be constructed quickly and efficiently, and ultimately costs the taxpayer less in construction and maintenance costs. More importantly, modular housing designed like the "Katrina Cottages" developed in the Mississippi Renewal Forum provides a much better living environment for disaster victims. Occupants of a "Katrina Cottage" can use the cottage as a base from which to build their new permanent home.

I propose the Congress invest in a pilot program to install modular housing on the Mississippi Gulf Coast. Such a project would prepare the federal government for the temporary housing demands of the next disaster and can get 20,000 to 25,000 Mississippi families out of FEMA-trailers.

Mississippi is moving forward in our recovery and renewal efforts. We are not depending solely on the federal government. We are working to leverage the generosity of faith-based and non-profit organizations to help meet the unmet needs of disaster assistance programs. To that end, the Mississippi Hurricane Recovery Fund is hosting a conference of the non-profits on the Coast this Thursday.

State and local governments in Mississippi are working together, with the private sector, and with the federal government to find solutions to our common problems. The private sector is the ultimate key to our renewal and we are working as quickly as possible to recreate the infrastructure needed for that success. The support of this Committee is essential in that effort.

Thank you.